1:Stanford U. S-4, 5 1956 AF14 Central China AF14

651
242

The agricultural tax is assessed on the basis of the gross income, taking little or no account of the cost involved in production. The system, if strictly enforced, will necessarily result in discouraging such improvements as the use of chemical fertilizers, the use of irrigation systems, etc. Chemical fertilizers have been more commonly used in many parts of Central-South China than in other parts of the country. Failure to allow for such costs of production in the tax system will necessarily mean discouragement to those who are making such improvements in their production.

651

In assessing the agricultural tax both for the regions with land reform and for the areas without land reform, the tax rates progress on the basis of the total income rather than by bracket. This could mean in some cases a payment of more tax by a taxpayer with less income than by one with more income.

IV. GOVERNMENT BONDS

652

In 1950, 100,000,000 fen (one fen or unit was worth approximately US$.75) of the Victory Bonds issued at 30 per cent or 30,000,000 fen, were allocated for subscription in Central-South China.[4] This quota is equivalent to two-thirds that of East China, and is twice as high as that of North China. This comparison seems to indicate that the burden of the government bond was relatively lower in North China than in either East or Central-South China.

V. REMITTANCES FROM ABROAD

457

One phase of the financial policy of the Chinese People's Government that has a special bearing

4. Tu-pao Shou-ts'e [Newspaper Reading Handbook] , Hankow, 1950, p. 384.